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ARIZONA CORPORATION COMMISSION

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December 14, 2007
Arizona Corporation Commission

DOCKETED

DEC 14 2007

CERTIFIED MAIL

Wickenburg Ranch Water LLC
Care of M3 Builders
Attention: Mr. David Green
4222 East Camelback Road, H100
Phoenix, Arizona 86018

DOCKETED BY	ne
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RE: WICKENBURG RANCH WATER, LLC. - APPLICATION FOR A RATE INCREASE
DOCKET NO. W-03994A-07-0657

LETTER OF INSUFFICIENCY

Dear Mr. Green:

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application, received on November 20, 2007; did not meet the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103. Staff has found a number of deficiencies with the application which are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the Company corrects the deficiencies and Docket control receives the original and 15 copies of the corrected pages.

You have 15 calendar days, or until December 29, 2007 to correct the deficiencies, or make other arrangements with Staff to remedy your rate application. If corrections or other arrangements are not made by that date, Staff will request that the docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file original and 15 copies of an updated application at a later date.

The Staff person assigned to your application is Gary T. McMurry. He can be reached at (602) 542-2044, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

Elijah Abinah
Assistant Director / Acting Chief Accountant
Financial & Regulatory Analysis Section
Utilities Division

EOA:GTM:tdp

CC: Docket Control Center (fifteen copies)
Vicki Wallace, Consumer Services
Delbert Smith, Engineering
Marc Stern, Hearing Division

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2007 DEC 14 P 4:15
AZ CORP COMMISSION
DOCKET CONTROL

**WICKENBURG RANCH WATER, LLC
DOCKET NO. W-03994A-07-0657
APPLICATION FOR RATE INCREASE
DEFICIENCY LIST**

NOVEMBER 20, 2007

1. Application does not include a complete description of the facilities proposed to be constructed, including preliminary engineering specifications in sufficient detail to properly describe the principal systems and components. (R14-2-402 A, 2, d) (see # 8 below)
2. Application does not include information regarding the financial condition of the applicant. (R14-2-402 A, 2, h)
3. Application needs to reconcile the difference between the 1,724 residential units cited on page 3 of the application and the 1,780 units cited on page 8 of the application.
4. Application does not include a copy of the articles of organization for the applicant, Wickenburg Ranch Water LLC. (R14-2-402 A, 2, b)
5. Revenue per the application (page 9, item #3) does not reconcile with exhibit 7, CW-2. Please reconcile or explain the apparent discrepancy.

Revenue per page 9

Residential	\$42,975
Commercial	2,411
Total	\$45,386

Exhibit 7, CW-2

Water Sales	\$40,536
Establishment Charges	4,850
Total	\$45,386

6. The May 5, 2006 letter from Arizona Department of Water Resources (ADWR) regarding the "Analysis of Adequate Water Supply" indicates that there is not adequate water for the build out of Wickenburg Ranch Estates. Please submit a letter from ADWR demonstrating that there is adequate water available for the entire build out of Wickenburg Ranch Estates.

Engineering Issues

7. Please submit a drinking water design report which clarifies how water will be provided to the proposed developments.

The report should identify existing and future sources, the capacities of existing sources, the estimated capacities of future sources and any existing demand on the present water sources.

The report should include the estimated water demand from a typical dwelling unit, the estimated demand from the proposed developments.

The report should identify the location of future and existing transmission mains and include the timing or construction phasing of facilities.

The design report should describe water quality and address any water quality problems with the existing and future sources of water (as an example, will extra treatment costs arise in order to meet existing or future maximum contaminant levels for arsenic nitrates or fluorides in the drinking water and if so, how does the applicant plan to fund the necessary treatment plant additions).

WICKENBURG RANCH WATER, LLC
DOCKET NO. W-03994A-07-0657
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Please provide any other information which will allow the Commission to analyze and conclude that the company has sufficient water production capacity, or can develop enough drinking water capacity to service the existing and future demands from the proposed developments.

8. Please provide a copy of your proposed curtailment tariff that will apply to the area to be served. A sample tariff has been posted on the Commission's web site at:
<http://www.azcc.gov/divisions/utilities/forms/Curtailment-Std.pdf>.
9. Please provide a set of design plans for the proposed water facilities. If final plans are not available, preliminary design plans should be provided.
10. Please provide an estimate of the water construction costs to the Applicant, necessary to serve the proposed developments. The costs should include a description of the major components with the cost of the component (i.e., wells, number and size of storage tanks, water treatment plant, etc.). The method of financing for the major components should be specified.
11. The Company's proposed service line and meter installation charges are more than Staff's recommended range for these charges. For example, 6-inch service line and meter installation charges typically are ranged \$6,115 to \$8,050, and Company's proposed charge is \$17,500. Please explain.
12. Please provide an estimate how many connections does the Company expect to add each year for the next five years beginning in 2008.